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2000 Annual Program Performance Report

OFFICE OF THE CHIEF ECONOMIST



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OFFICE OF THE CHIEF ECONOMIST

FY 2000 ANNUAL PROGRAM PERFORMANCE REPORT

The mission of OCE is to advise the Secretary of Agriculture on the economic prospects in agricultural markets and the economic implications of policies, programs and economic events affecting U.S. agriculture and rural communities; to ensure the public has consistent, objective and reliable agricultural forecasts; and to promote effective and efficient rules governing Departmental programs.

OCE consists of the Chief Economist and Immediate Office (IO), the Office of Risk Assessment and Cost-Benefit Analysis (ORACBA), the World Agricultural Outlook Board (WAOB), the Global Change Program Office (GCPO) and the Office of Energy Policy and New Uses (OEPNU). Three major functions are carried out by OCE: (1) economic intelligence, policy, and program coordination, which includes coordinating Departmental global change, energy policy and sustainable development activities; (2) agricultural estimates and projections; and (3) regulatory analysis. These three major functions are reflected in the three goals that comprise the Performance Plan.

More information regarding OCE's responsibilities, activities, and goals can be found in the OCE Strategic and Annual Performance Plans. Only Federal employees were involved in the preparation of this report.

OCE PERFORMANCE SUMMARY				
Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
Goal 1: Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental program and policy issues.	Economic information produced by OCE is incorporated in the Secretary's decisions, communications, and interactions with other government officials and the public because of its relevance, accuracy, objectivity, and timeliness.			
	Prepare and provide briefings, memoranda, reports, etc. for the Secretary on the economic implications of market developments and key program and policy events.	Yes	Yes	Yes
	Assist in the preparation of speeches for the Secretary.	Yes	Yes	Yes
	Provide economic intelligence for the subcabinet for relevant program areas and prepare analysis for Members of Congress and their staffs, when requested.	Yes	Yes	Yes
	Coordinate USDA activities to (1) foster sustainable development through USDA programs and policies, (2) address effectively agricultural labor issues and regulations, and (3) fulfill Capper-Volstead Act responsibilities.			
	Coordinate USDA assessments of agricultural labor issues and development of relevant regulations that are consistent with the Secretary's objectives.	Yes	Yes	Yes
	Coordinate USDA global climate change activities through OCE's Global Change Program Office to ensure the Department is a source of objective and accurate analytical assessments of the effects of	Yes	Yes	Yes

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
	<p>climate change and proposed mitigation strategies.</p> <p>Chair the USDA interagency climate change task force to coordinate activities within USDA and ensure appropriate analytical coverage of issues.</p>	Yes	Yes	Yes
Goal 1: Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental program and policy issues.	Coordinate global climate change activities with other Federal agencies and effectively interact with the legislative branch and public on climate change issues affecting agriculture and forestry.	Yes	Yes	Yes
	Represent USDA on U.S. delegations to international climate change discussions.	Yes	Yes	Yes
	Chair the USDA Council on Sustainable Development and conduct liaison with the President's Council on Sustainable Development and other Federal agencies on behalf of the Secretary.	Yes	Yes	Yes
		Yes	Yes	Yes
	Chair the Capper-Volstead Act Committee in performing oversight responsibilities for the consideration of the Secretary.	Yes	Yes	Yes
	Coordinate USDA energy activities through OCE's Office of Energy Policy and New Uses to ensure the Department is a source of objective and accurate analytical assessments of the effects of energy policies and strategies.			
	Coordinate energy activities within USDA and ensure appropriate analytical coverage of issues.	Yes	Yes	Yes
	Coordinate energy activities with other Federal agencies.	Yes	Yes	Yes
	Effectively interact with the legislative branch and public on energy issues.	Yes	Yes	Yes
	Provide support to USDA's small farms activities.	Yes	Yes	Yes
Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural	<p>Provide clients and customers with agricultural estimates and forecasts that are timely, consistent, objective, and reliable.</p> <p>Measure client and customer satisfaction with the accuracy, objectivity, and timeliness of the Department's situation and outlook program by surveying attendees at USDA's outlook forum. (Target indicator level of satisfaction is shown for each year. Rating scale: 1-5.)</p>	4.50	4.10	4.25

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.	Hold an annual agricultural outlook forum and achieve targeted levels of attendance, which indicates the forum's value to the agricultural sector and consumers. (No. of registered (non-USDA) attendees.)	656	575	750
	Issue the monthly <i>World Agricultural Supply and Demand Estimates (WASDE)</i> report on schedule. (No.)	12	12	12
	Issue the <i>Weekly Weather and Crop Bulletin</i> on schedule (No.)	52	52	52
Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.	Establish a NOAAPORT/AWIPS (National Oceanic and Atmospheric Administration Port Advanced Weather Interactive Processing System) to enhance effective, economic downloading of real-time weather data and products (cumulative totals appear as indicators)	1	2	1
	Decisions and statements of the Secretary of Agriculture have been made more effective by information, intelligence, and projections provided by OCE. No. of post lock-up briefings provided to the Secretary/Secretary's representative.	12	12	12
	No. of weekly briefings on situation and outlook and weather provided to the Secretary and other senior management.	52	52	52
	Ensure that USDA agencies speak with one voice by publishing consistent data and analyses in Department situation and outlook products. Review and edit the situation and outlook products of other Department agencies prior to their publication's release to the public. (Percent of situation and outlook publications annually reviewed.)	100	100	100

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
Goal 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.	Risk assessments and cost-benefit analyses prepared for USDA regulations thoroughly and accurately characterize costs, benefits, hazards, risks, and risk mitigation alternatives. No. of regulatory analyses reviewed.	27	40	78
	No. of formal training opportunities scheduled for agencies (including courses, seminars, and workshops).	25	18	35
	Percent of USDA agencies preparing a proposed major rule that were provided support and guidance by ORACBA in the development of risk assessment methods.	100	100	100
	Performance of the recommended regulatory alternative was improved as a result of the risk assessment or cost-benefit analysis for economically significant and major regulations	Yes	Yes	Yes
	ORACBA educational and training programs are effective in improving the risk analysis capacity of USDA agencies and getting the larger risk community interested in biological and agricultural risk assessment activities. Percent of participants rating ORACBA risk analysis training courses as highly useful.	80	80	95
Goal 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.	Academic and other government agencies request participation, informational seminars, and access to development of courses tailored to their needs.	Yes	Yes	Yes
	Agencies are increasingly using risk analysis methods and approaches for regulatory and program development as a result of ORACBA initiatives. Percent of relevant USDA program and research agencies actively participating with ORACBA in risk assessment work groups.	90	90	90
	Risk-related research and development efforts and collaboration activities are funded or staffed by USDA agencies as a result of OCE guidance.	Yes	Yes	Yes

Strategic Goal/ Management Initiative	FY 2000 Performance Goals	FY 1999	FY 2000	
		Actual	Target	Actual
Initiative 1: Assemble a competent and diverse workforce that works together effectively.	Clients and customers surveyed find OCE services meet their needs.	Yes	Yes	Yes
	Treat all employees fairly and with dignity and respect. Prompt response to address EEO complaints (meets or exceeds guidelines on response requirements).	Yes	Yes	Yes
	Percentage of employees participating in scheduled Department EEO training.	100	100	100
Initiative 2: Provide a physical environment that maximizes technical efficiency and ensures security for market sensitive data.	Maintain and improve speed and effectiveness of communications within OCE and to and from clients and customers.	Yes	Yes	Yes
	Upgrade the LAN (local area network) annually.	Yes	Yes	Yes
	Implement cost-effective technological innovations identified at meetings of the USDA Telecommunications Sub-Council, Enterprise Working Group, Office of Information Management, and other inter-agency groups.	Yes	Yes	Yes
	Upgrade anti-virus software quarterly.	Yes	Yes	Yes
	Conduct annual internal survey to identify equipment requiring replacement or upgrading.	0	0	0
	Ensure that market sensitive data and working files are kept secure No. of confirmed security violations.			

Goal 1: Assure the Secretary of Agriculture receives timely, independent and objective economic advice and analysis on critical Departmental program and policy issues.

Objective 1.1: (a) Assure that the Office of the Secretary receives economic intelligence and advice to enable the understanding of market developments and the major economic effects of alternative policies and programs and to facilitate decision making. (b) Work with agencies to develop policies and programs that cut across agencies and to ensure they are consistent with the Secretary's objectives.

Key Performance Goal

Economic information produced by OCE is incorporated in the Secretary's decisions, communications, and interactions with other government officials and the public because of its relevance, accuracy, objectivity, and timeliness.

Prepare and provide briefings, memoranda, reports, etc. for the Secretary on the economic implications of market developments and key program and policy events.

Target: Yes

Actual: Yes

Assist in the preparation of speeches for the Secretary.

Target: Yes

Actual: Yes

Provide economic intelligence for the subcabinet for relevant program areas and prepare analysis for Members of Congress and their staffs, when requested.

Target: Yes

Actual: Yes

2000 Data: This OCE performance goal is qualitative. Given the dynamic nature of markets and changing policies and programs and number of issues of importance to the Secretary, achievement of OCE performance goals cannot be based on a projected number of briefings, memoranda, reports, speech text, etc., that may be provided by OCE. Feedback is based upon the Secretary and Deputy Secretary, with whom the Chief Economist works closely. OCE achievement of this performance goal is likewise based upon feedback from other clients, which include the White House, Congress, USDA, other Federal agencies, farmers, ranchers, agribusiness, and the public. Throughout the year, the Chief Economist and IO staff appeared before the Congress and participated in forums to meet with representatives of the agricultural community and general public. Each occasion provided feedback on the economic soundness, usefulness, and timeliness of OCE's preparation of testimony, speeches, briefings, memoranda, reports, and other intelligence information by end-users for information, policymaking, and business purposes.

Analysis of Results: This performance goal was met. The range of information products and services developed to accomplish this OCE performance goal is indicated below:

- *Briefings, memoranda, and reports for the Secretary, Congress, and other policymakers:* OCE provided economic intelligence and analysis on the economic well-being of U.S. agriculture resulting from low farm prices, adverse weather, weak exports, and ad hoc legislation which provided supplemental disaster and economic loss assistance to farmers, which the Secretary incorporated into his decision making and communications to the President, Congress and public. The Chief Economist also served on the White House Task Force on MTBE and helped prepare a report released by the White House on the effects of eliminating MTBE and helped prepare the administration's legislative proposal. The Chief Economist also served as the Secretary's liaison to the Commission on 21st Century Production Agriculture and OCE helped the Commission prepare their report to the President and Congress.
- *Economic input into the Secretary's speeches:* OCE assisted in the preparation of text for the Secretary for prepared speeches which addressed the economic implications of events, issues, and developments affecting agriculture. At press conferences held at the Department and while on travel, the Secretary consistently drew on OCE economic expertise from the Chief Economist, who frequently accompanied the Secretary to assist at press conferences and meetings with the public.
- *Economic intelligence for the subcabinet and analysis for Members of Congress and others:* The Chief Economist represented the Department by testifying before Congress five times on dairy policy, the state of the farm economy, carbon cycle research, elimination of the additive MTBE in gasoline, and energy prices and agriculture. OCE assisted the Assistant Secretary for Marketing and Regulation in developing options for dealing with

concentration in livestock markets. OCE assisted the Assistant Secretary for Farm and Foreign Agricultural Services by developing the farm income support safety net proposals for the President's Budget for FY 2001 and briefing the President's Chief of Staff on the proposals. The Chief Economist became a member of the Board of Directors of the Federal Crop Insurance Corporation and OCE assisted USDA's Risk Management Agency in assessing the effects of crop insurance reform legislation enacted in June 2000.

Current Fiscal Year Performance: Feedback provided through the first quarter of FY 2001 indicates that OCE will meet current performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process. In addition, to feedback from the Secretary, subcabinet, White House, and Congress, the Chief Economist drew on feedback from an internal evaluation of the commodity forecasting program. The evaluation included assessments of performance completed by all the participants in the interagency commodity estimates committees. The findings were presented to all staff in a workshop held in December 2000.

Key Performance Goal

Coordinate USDA activities to (1) foster sustainable development through USDA programs and policies, (2) address effectively agricultural labor issues and regulations, and (3) fulfill Capper-Volstead Act responsibilities.

Coordinate USDA assessments of agricultural labor issues and development of relevant regulations that are consistent with the Secretary's objectives.

Target: Yes

Actual: Yes

Coordinate USDA global climate change activities through OCE's Global Change Program Office to ensure the Department is a source of objective and accurate analytical assessments of the effects of climate change and proposed mitigation strategies.

Target: Yes

Actual: Yes

Chair the USDA interagency climate change task force to coordinate activities within USDA and ensure appropriate analytical coverage of issues.

Target: Yes

Actual: Yes

Coordinate global climate change activities with other Federal agencies and effectively interact with the legislative branch and public on climate change issues affecting agriculture and forestry.

Target: Yes

Actual: Yes

Represent USDA on U.S. delegations to international climate change discussions.

Target: Yes

Actual: Yes

Chair the USDA Council on Sustainable Development and conduct liaison with the President's Council on Sustainable Development and other Federal agencies on behalf of the Secretary.

Target: Yes

Actual: Yes

Chair the Capper-Volstead Act Committee in performing oversight responsibilities for the consideration of the Secretary.

Target: Yes

Actual: Yes

2000 Data: This OCE performance goal is qualitative (as indicated in the data section under the previous performance goal). Feedback is based upon the Secretary, Deputy Secretary, White House, Congress, USDA, other Federal agencies, farmers, ranchers, agribusiness, and the public.

Analysis of Results: OCE met this performance goal. The range of information products and services developed to accomplish this OCE performance goal is indicated below:

- *Coordination of climate change activities:* OCE coordinated the development of objective and accurate assessments of climate change by (1) chairing the USDA interagency climate change task force; (2) chairing the Interagency Working Group on Carbon Sequestration which developed the U.S. government position on carbon emissions and sequestration from agricultural and forestry which was submitted to the UN Framework Convention on Climate Change (UNFCCC) in August 2000; (3) conducting global change related briefings for Congressional staff and starting a Climate Change Dialogue with farm groups that met for 6 days during FY 2000, and holding meetings on global change issues for agricultural, forestry, and environmental groups; (4) managing USDA's multiple responsibilities to the U.S. National Assessment on Climate Change and Variability; (5) representing USDA at international meetings and negotiating sessions of the UNFCCC on Canada, Poland, Australia, Germany, France and Italy; and, (6) coordinating development of significant increases in USDA's fiscal year 2000 proposed research budget for global change.
- *Other coordination responsibilities:* OCE chaired meetings of the Capper-Volstead Act Committee and the USDA Council on Sustainable Development. The Sustainable Development Council provided support to the White House initiative on liveable communities by addressing land use issues such as sprawl. OCE also coordinated USDA participation in activities of the UN Commission on Sustainable Development which included organizing two meetings with non-governmental organizations and negotiating text at the UNCSD meetings. OCE also represented USDA in two meetings of the Convention on Biological Diversity in Kenya and Canada.

Current Fiscal Year Performance: Feedback provided through the first quarter of FY 2000 indicates that OCE will meet current performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process. In addition, the Under Secretary of State for Oceans and the Environment, the U.S. government's lead climate change negotiator, wrote to the Secretary noting the outstanding contributions of the climate change work during FY 2000. Seven farm organizations also wrote to the Secretary complimenting the climate change work of OCE.

Key Performance Goal

Coordinate USDA energy activities through OCE's Office of Energy Policy and New Uses to ensure the Department is a source of objective and accurate analytical assessments of the effects of energy policies and strategies.

Coordinate energy activities within USDA and ensure appropriate analytical coverage of issues.

Target: Yes

Actual: Yes

Coordinate energy activities with other Federal agencies.

Target: Yes

Actual: Yes

Effectively interact with the legislative branch and public on energy issues.

Target: Yes

Actual: Yes

2000 Data: This OCE performance goal is qualitative (as indicated in the data section under the previous performance goal). Feedback is based upon the Secretary, Deputy Secretary, the White House, Congress, USDA, other Federal agencies, farmers, ranchers, agribusiness, and the public.

Analysis of Results: OCE met this performance goal. The range of information products and services developed to

accomplish this OCE performance goal is indicated below:

- *Coordinate USDA energy activities and interact with other Federal agencies, the legislative branch and public:* OCE provided input to Congress to help develop The Biomass Research and Development Act of 2000 and then participate in its implementation by playing a key role in developing the U.S. government's strategic plan to implement the act; OCE conducted analytical evaluations for Senators Harkin and Kerry on proposed renewable fuel standards; OCE worked with Iowa State University to develop a research plan for energy issues; OCE produced a report on the cost of producing ethanol in the United States; and OCE worked with the Department of Energy and the Environmental Protection Agency (EPA) on EPA's phase II reformulated gasoline implementation and the design of low sulfur diesel Tier II rule making.

Current Fiscal Year Performance: Feedback provided through the first quarter of FY 2000 indicates that OCE will meet current performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

Provide support to USDA's Small Farm Action Team

Target: Yes

Actual: Yes

2000 Data: This OCE performance goal is qualitative (as indicated in the data section under the previous performance goal). Feedback is based upon the Secretary, Deputy Secretary, White House, Congress, USDA, other Federal agencies, farmers, ranchers, and agribusiness.

Analysis of Results: OCE met this performance goal. The range of information products and services developed to accomplish this OCE performance goal is indicated below:

- *Support for USDA's Small Farm Action Team:* OCE's Director of Sustainable Development attended small farms task force meetings, advised the Deputy Secretary on small farms issues, met with the USDA small farms advisory committee and responded to requests of data and analysis from the director of the small farms office.

Current Fiscal Year Performance: Feedback provided through the first quarter of FY 2000 indicates that IO will meet current performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Goal 2: Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets by coordinating the release of comprehensive, consistent, reliable, timely and objective USDA estimates, forecasts, and projections of commodity supply, demand, and prices.

Objective 2.1: (a) Meet the information needs of customers and clients by serving as USDA's focal point for gathering information and analyzing economic developments affecting agriculture; coordinating the preparation and release of estimates and forecasts; and guaranteeing consistency in situation and outlook publications. (b) Ensure accurate assessments on the impact of weather and other natural phenomena on crops and other agricultural resources by coordinating USDA weather, climate, and remote sensing work. (c) Enhance the ability of OCE staff, customers, and clients to access and share information while safeguarding market sensitive data.

Key Performance Goals

Provide clients and customers with agricultural estimates and forecasts that are timely, consistent, objective, and reliable.

Measure client and customer satisfaction with the accuracy, objectivity, and timeliness of the Department's situation and outlook program by surveying attendees at USDA's outlook forum. (Target indicator level of satisfaction is shown for each year. Rating scale: 1-5.)

Target: 4.10

Actual: 4.25

Hold an annual agricultural outlook forum and achieve targeted levels of attendance, which indicates the forum's value to the agricultural sector and consumers. (No. of registered (non-USDA) attendees.)

Target: 575

Actual: 750

Issue the monthly *World Agricultural Supply and Demand Estimates (WASDE)* report on schedule. (No.)

Target: 12

Actual: 12

Issue the *Weekly Weather and Crop Bulletins* on schedule (No.)

Target: 52

Actual: 52

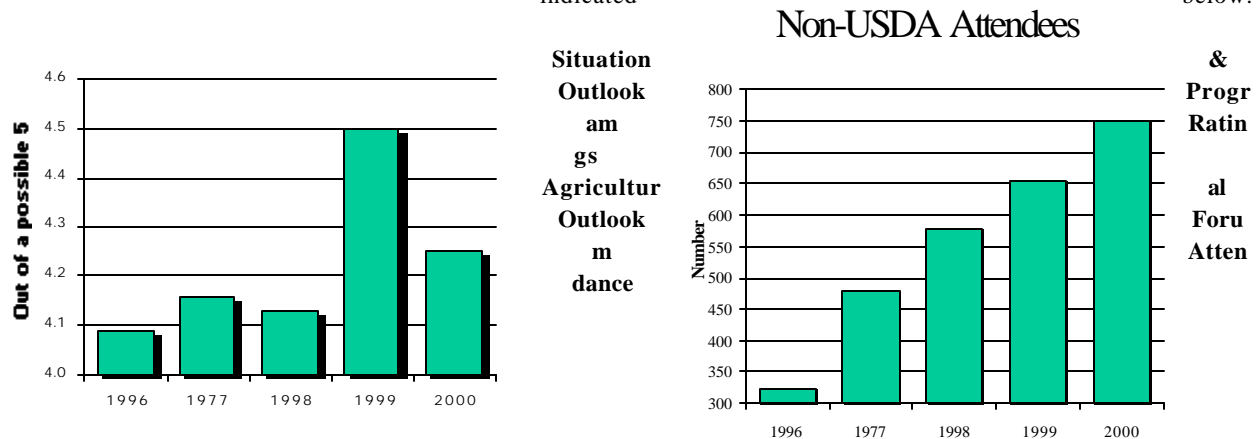
Establish a NOAAPORT/AWIPS (National Oceanic and Atmospheric Administration Port Advanced Weather Interactive Processing System).

Target: 2

Actual: 1

2000 Data: Data citing customers and clients' rated level of satisfaction with the accuracy, objectivity, and timeliness of USDA's situation and outlook program were obtained from a survey of registered attendees at USDA's Agricultural Outlook Forum, held in February 2000. The number of monthly post lock-up briefings and weekly situation and outlook and weather briefings refer to presentations made to the Secretary or designated representative. The number of OCE reviews of situation and outlook products, which includes regularly scheduled publications and special issue products, exceeds 150 items annually. This number fluctuates slightly from year to year and is determined by the publication output of other agencies. OCE reviews all economic outlook information intended for public release. Finally, in a joint project OCE and Forest Service installed a fully operational NOAAPORT/AWIPS data-receiving site in Redding, California. Based on feedback from the Secretary and other clients at briefings, meetings, and agricultural events. Also, the public has provided feedback via the Internet, phone calls, and in October, at an annual Users Group meetings in Chicago on situation and outlook products sponsored by NASS which is attended by approximately 80 private sector analysts.

Analysis of Results: OCE met this performance goal. Results achieved with respect to information products and services developed to accomplish this OCE performance goal indicated are below:



- *Satisfaction with the accuracy, objectivity, and timeliness of the Department's situation and outlook program:* Clients and customers' satisfaction averaged 4.25 on a rating scale which ranged from a low of 1.00 to a high of 5.00. The rating was based on a survey of attendees at the Outlook Forum held in February 2000.
- *Targeted level of attendance at agricultural outlook forum:* Attendance (non-USDA) totaled a record 750, up 15 percent from the previous year. Counting USDA attendees, attendance totaled 1,331, also a record.
- *Issuance of publications:* All publications related to situation and outlook work (the WASDE report and *Weekly Weather and Crop Bulletin*) were released on schedule. On-time issuance of the monthly WASDE report, released at 8:30 a.m., two hours prior to the opening of the Chicago Board of Trade, enabled the public to have equal and timely access to market-sensitive commodity information.
- *NOAAPORT/AWIPS installation:* WAOB and Forest Service (FS) signed a MOU to give FS access to WAOB's National Oceanic and Atmospheric Administration weather data receiving site in Kansas City. Under a subsidiary agreement, WAOB loaned FS computer hardware and software to replace capabilities being withdrawn by the National Weather Service from the FS Redding, CA fire management operation. The loaned equipment aided FS fire weather operations during the critical summer months. Under a second subsidiary agreement, WAOB partnered with FS to determine the feasibility of using WAOB's Agricultural Weather Interactive Processing System as a cost-efficient platform for FS's antiquated Weather Information Management System. Preliminary indications suggest that both of these projects will significantly improve FS operations while substantially reducing costs to the government. FS agreed to share data from its Remote Automated Weather Station (RAWS) network for inclusion in WAOB's National Agricultural Weather Observing Network initiative.

Descriptions of Actions and Schedules: OCE is preparing an additional NOAAPORT/AWIPS server ready for installation in Stoneville, Mississippi. In a related activity, WAOB worked in partnership with Mississippi State University's Delta Research and Extension Center (DREC), USDA's Natural Resources Conservation Service (NRCS), and the University of Missouri to expand the National Agricultural Weather Observing Network to include more data collection and reporting sites. All counties in the Mississippi Delta region are now equipped to report timely weather observations to the Stoneville, MS data center that is operated by WAOB. A Meteorburst receiving station was constructed in a secured area on DREC property using WAOB, NRCS, and DREC funds. NRCS has equipped 5 of the sites with advanced temperature and soil moisture observation instruments for analytical purposes, using WAOB funds. In addition, in cooperation with WAOB, the University of Missouri has deployed automated weather stations in southeastern Missouri. These sites transmit data to the Stoneville center using Meteorburst technology. The Mississippi and Missouri data are reported in the *Weekly Weather and Crop Bulletin*.

Current Fiscal Year Performance: Preliminary data on current year performance measures, as of March 2000, indicate that OCE will meet all stated targets. With respect to meteorological activities, OCE will continue to publish the WASDE report at 8:30 a.m. Eastern Time between the 9th and 12th day of each month to enable simultaneous release of the WASDE report with the *Crop Production Report*, issued by the National Agricultural Statistics Service

(NASS).

Program Evaluations: WAOB acted to strengthen USDA's commodity forecasting program by implementing recommendations of the Datatrac/Price WaterhouseCoopers *Interagency Commodity Estimates Committee Study*. The study was designed to evaluate and suggest improvements the interagency process used to make supply and demand forecasts. As an initial step, WAOB prepared Secretary Memorandum 1044-9 for the Secretary's signature. This memorandum signed by Secretary Glickman on April 19, 2000 reaffirms the Secretary's support for the Department's commodity situation and outlook program and directs WAOB and relevant agencies to support the ICEC process. WAOB then implemented Memoranda of Understanding (MOUs) with five USDA agencies: the Economic Research Service, Foreign Agricultural Service, Agricultural Marketing Service, Farm Service Agency, and Cooperative State Research, Education, and Extension Service. Each MOU formally spells out WAOB and agency responsibilities that support the Department's commodity situation and outlook program. These agreements are designed to assure that WAOB and the signatory agencies provide the Interagency Commodity Estimates Committees with adequate staff support and expertise required to produce quality analyses. OCE also organized an internal evaluation of the forecasting program that included each person involved in the interagency process evaluating the program. Results were presented to staff at a workshop in December 2000.

Key Performance Goal

Decisions and statements of the Secretary of Agriculture have been made more effective by information, intelligence, and projections provided by OCE.

No. of post lock-up briefings provided to the Secretary/Secretary's representative.

Target: 12

Actual: 12

No. of weekly briefings on situation and outlook and weather provided to the Secretary and other senior management.

Target: 52

Actual: 52

2000 Data: Data reflects the number of scheduled briefings provided to the Secretary and his representatives. Feedback was based upon the Secretary and his representatives who received briefings from situation and outlook meteorological staff.

Analysis of Results: OCE met this performance goal.

- *Scheduled briefings:* Prior to the release of each WASDE report, WAOB briefed the Secretary or his designated representative about the scope and magnitude of the revised estimates and forecasts relating to the supply and utilization of grains, oilseeds, cotton, red meat, poultry, eggs, milk and refined sugar.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

Ensure that USDA agencies speak with one voice by publishing consistent data and analyses in Department situation and outlook products.

Review and edit the situation and outlook products of other Department agencies prior to their publication's release to the public.

Target: 100

Actual: 100

2000 Data: Data reflects the percent of situation and outlook publications reviewed which were submitted to OCE for review. Feedback is based upon the Secretary, USDA, agencies, and the public.

Analysis of Results: OCE met this performance goal.

- *Importance of review process:* OCE's review of other Department economic outlook publications and products ensured that USDA was consistent in its information releases across all agencies with regard to commodity data and analysis.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet its stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Goal 3: Ensure regulations affecting the public are based on sound, objective and appropriate risk assessments and economic analyses.

Objective 3.1: (a) Review economically significant regulations primarily intended to affect human health, safety or the environment to ensure that they are based on appropriate risk assessments and economic analyses that can serve as a basis for selecting cost-effective management options for hazards managed by USDA. (b) Provide support to conduct risk assessments and cost-benefit analyses by assuring trained and competent analysts are available to complete these analyses. (c) Expand risk assessment research related to agricultural issues.

Key Performance Goal

Risk assessments and cost-benefit analyses prepared for USDA regulations thoroughly and accurately characterize costs, benefits, hazards, risks, and risk mitigation alternatives.

No. of regulatory analyses reviewed. (The target is characterized as an expected value because OCE does not control the number of regulations which it receives for review.)

Target: 40

Actual: 78

No. of formal training opportunities scheduled for agencies (including courses, seminars, and workshops).

Target: 18

Actual: 35

Percent of USDA agencies preparing a proposed major rule that were provided support and guidance for ORACBA in the development of risk assessment method.

Target: 100

Actual: 100

Measure	Year	Actual
Regulatory Analysis Reviewed	1998	50
	1999	27
	2000	78
Formal Training Opportunities Provided	1998	15
	1999	25
	2000	35
Preparing a Proposed Major Rule	1999	100

	2000	100
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2000 Data: The totals for regulatory analyses are based upon the number of regulations submitted to OCE for review. Of the 104 regulatory work plans submitted, only 27 required ORACBA review. These constituted 100 percent of the economically significant regulations affecting primarily human health, safety or the environment.

Training opportunities included 10 risk forums with afternoon discussions, 2 introductory risk analysis courses, 1 quantitative risk assessment course, 1 ecological risk assessment course, 1 seminar for Kansas State University, lectures in food safety risk assessment for the World Bank and World Health Organization, and presented economic papers on pathogen reduction at the annual International Conference of Agricultural Economists, risk policy for plant diseases and pests at the Western Economic Association meeting, and food safety in developed and developing countries at the Expo 2000 international workshop on world food supply in Germany.

The 100 percent support of those USDA agencies preparing a proposed major rule is based upon ORACBA's pro-active approach to working with agency staff in reviewing risk assessments in the early developmental stages of the rule.

Analysis of Results: OCE met this performance goal. OCE IO's and ORACBA's strong pro-active approach to working with agency staff in reviewing risk assessments associated with major rules has led to a more rapid review and approval of regulatory risk assessments, allowing agencies to expend their resources more effectively. This approach and the ability to provide information based upon sound judgment and the best science available have led to increased demands placed upon ORACBA's limited staff. Within USDA, OCE staff was called upon to:

- *Provide expert input and support for a variety of policy issues including:* (1) control of *Listeria monocytogenes* in ready-to-eat meat and poultry products; (2) the risk of foot and mouth disease and import regulations for beef from Brazil; (3) trade in pork and pork products with the European Union where hog cholera is a risk; (4) management of the USDA BSE Risk Analysis project; (5) activities of the USDA Biotechnology Coordinating Committee and the Secretary's Advisory Committee on Agricultural Biotechnology; (6) support for the Agricultural Research Service (ARS) Biotechnology Research Review Work Group; (7) work with the Food and Nutrition Service on nutritional risks; (8) support for Forest Service programs with respect to road management policy and preservation of roadless areas; (9) Animal and Plant Health Inspection Service response to citrus canker and plum pox diseases; (10) collaborating with ARS research scientists on identifying pathogen risks and mitigations in production systems and post-harvest handling systems for fruits and vegetables; and (11) Farm Service Agency regulations on numerous programs created by ad hoc disaster and economic loss assistance programs that resulted in a record high \$32 billion in Commodity Credit Corporation spending in FY 2000.
- *Provide expertise outside USDA to* (1) review risk assessments by other agencies and non government organization risk assessors including mercury exposure and dioxin in foods; (2) serve Environmental Protection Agency drinking water monitoring modeling working group; (3) regulation of plant incorporated protectants; (4) collaborate with foreign scientists from Canada, Australia, Egypt and other countries; (5) participate on the Drought Policy Council; and, (6) continue active membership on the Risk Assessment Consortium for the Food Safety Initiative.
- ORACBA coordinated the risk assessment of beef imports from Brazil, focusing on the risk of foot and mouth disease. ORACBA risk assessment review identified inadequate controls over certain high risk products for which mitigations had not been considered. As a result of ORACBA's review, the proposed rule was modified to address these higher risk materials.

As a result of ORACBA efforts, there has been a significant change in how risk assessment work groups function. Ownership has been passed to the agencies with ORACBA as a partner and advisor.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

Performance of the recommended regulatory alternative was improved as a result of the risk assessment or cost-benefit analysis for economically significant and major regulations.

Target: Yes
Actual: Yes

2000 Data: This qualitative performance measure is based upon feed back from USDA agencies.

Analysis of Results: ORACBA met this performance goal:

- ORACBA acted to ensure that only scientifically-based and economically sound regulatory alternatives were selected to protect human health from foodborne pathogens; ORACBA's risk reviews and economic analysis of costs and benefits led the Department to modify its regulatory proposal to control Listeria in ready-to-eat meat and poultry products. Costly labeling requirements were removed from the proposed regulation permitting resources to be focused on more cost-effective mitigations to reduce the risk of Listeria monocytogenes.
- ORACBA's risk assessment work identified weaknesses in existing regulations intended to protect the health of the U.S. livestock sector. In the course of ORACBA's participation in the development of the risk assessment for beef imports from Brazil, ORACBA determined that the regulations intended to protect U.S. livestock from foot and mouth disease were based on a risk assessment that had not evaluated risks from imports of low-value, higher risk beef products. As a result of ORACBA's analysis existing regulations for imports from Argentina were modified to better protect U.S. agriculture and the proposed regulatory alternative for Brazil was improved.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

ORACBA educational and training programs are effective in improving the risk analysis capacity of USDA agencies and interesting the larger risk community in biological and agricultural risk assessment activities.

Percent of participants rating ORACBA risk analysis training courses as highly useful.

Target: 80

Actual: 95

Academic and other government agencies request participation, informational seminars, and access to development of courses tailored to their needs.

Target: Yes

Actual: Yes

Measure	Year	Actual
Percent of Participants Rating ORACBA Risk Analysis Training Courses as Highly Useful	1998	80
	1999	95

	2000	95
Participation Request to Informal Seminars, and Courses	1999	Yes
	2000	Yes

2000 Data: Percentages are the results of surveys completed by participants in ORACBA's four jointly sponsored courses including two Introduction to Risk Analysis courses jointly sponsored with FDA and the Graduate School, USDA; one Quantitative Risk Assessment Course co-sponsored with the Graduate School, USDA; and one Ecological and Environment Risk Assessment course co-sponsored with the Graduate School, USDA. Academic and other government agency participation was also determined from course surveys.

Analysis of Results: OCE accomplished this performance goal based on survey results. ORACBA has developed training that assures scientists in USDA have an opportunity to improve their understanding and practice of risk assessment. Agencies have continued to seek out ORACBA for assistance tailored to their needs:

- *Educational training and other contributions, which were provided to agencies, often at their request, included the following:* (1) partnering with ARS to serve as postdoctoral training center; (2) partnering with ARS and NRCS regarding risk assessment for conservation activities; (3) providing special risk training for the World Bank and the World Health Organization; (4) coordinating development of risk analysis procedures for interagency use; (5) providing guidance to the USDA Graduate School on curriculum development in risk assessment; and (6) maintaining reference materials on risk assessment.

- *Outreach activities to help other agencies be cognizant of how scientifically-based risk assessments are developed:* ORACBA developed a quarterly newsletter, monthly risk forum seminars, a web site, a joint project for risk assessment archiving with the National Agricultural Library, and a specialized workshops in risk assessment. ORACBA hosted an FDA analyst on detail to provide exposure to the techniques used in USDA risk assessments.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Key Performance Goal

Agencies are increasingly using risk analysis methods and approaches for regulatory and program development as a result of ORACBA initiatives.

Percent of relevant USDA program and research agencies actively participating with ORACBA in risk assessment work groups.

Target: 90

Actual: 90

Risk-related research and development efforts and collaboration activities are funded or staffed by USDA agencies as a result of OCE guidance.

Target: Yes

Actual: Yes

Measure	Year	Actual
Percent of Agencies Participating in Risk Assessment Work Groups	1998	80
	1999	90
	2000	90
Risk-related Efforts and Activities Funded or Staffed By USDA Agencies	1999	Yes
	2000	Yes

2000 Data: The percentage was determined from the actual agencies working with ORACBA in risk assessment workgroups.

Analysis of Results: ORACBA accomplished this performance goal which resulted in a significant change in how risk assessment work groups function:

- *Based on agency input:* Ownership has been passed to the agencies with ORACBA as a partner and advisor.
- *Based on agency participation:* The percentage of USDA agencies participating in risk assessment work groups reflects the funding and staff being committed by program and research agencies.

Current Fiscal Year Performance: Preliminary data on current year performance measures indicate that OCE will meet all stated targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Management Initiative 1: Assemble a competent and diverse workforce that works together effectively.

Key Performance Goals

Clients and customers surveyed find OCE services meet their needs.

Target: Yes

Actual: Yes

Treat all employees fairly and with dignity and respect.

Prompt response to address EEO complaints (meets or exceeds guidelines on response requirements).

Target: Yes

Actual: Yes

Percentage of employees participating in scheduled Department EEO training.

Target: 100

Actual: 100

2000 Data: Levels achieved are based upon (1) feedback from the Secretary, (2) a survey of attendees at the February 2000 Outlook Forum, and (3) the absence of EEO/Civil Rights complaints by OCE staff.

Analysis of Results: OCE achieved the two performance goals associated with management initiative 1:

- *Survey results show high quality service being provided:* OCE personnel performance received a 4.25 rating out of a possible 5.00 (see the performance summary table associated with Strategic Goal 2). This was the highest rating achieved by OCE products and services since the survey was initiated.
- *Prompt response to complaints and solid participation in training:* OCE success in the area of EEO, reflected by the absence of EEO complaints by OCE staff against OCE supervisors in FY 2000, followed from its efforts to keep personnel informed and highly motivated through weekly staff meetings at which current accomplishments, ongoing work, administrative activities, and actions are identified and discussed. Also, management encouraged and enabled all personnel to take all components of Civil Rights training in FY 2000.
- *Development of a diverse workforce:* Contributing to OCE success in this area was OCE's efforts to diversify its workforce through contract work and projects with 1890's universities, contracting with minority firms for temporary employees, mentoring and recruiting Washington, D.C. area students, and participating on the USDA Civil Rights Leadership Council. One OCE staff member served as president of the Gay-Lesbian, Bisexual or Transgendered Organization.

Current Fiscal Year Performance: Preliminary data indicate that OCE will meet targeted performance for FY 2000.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.

Management Initiative 2: Provide a physical environment that maximizes technical efficiency and ensures security for market sensitive data.

Key Performance Goals

Maintain and improve speed and effectiveness of communications within OCE and to and from clients and customers.

Upgrade the LAN (local area network) annually.

Target: Yes

Actual: Yes

Implement cost-effective technological innovations identified at meetings of the USDA Telecommunications Sub-Council, Enterprise Working Group, Office of Information Management, and other inter-agency groups.

Target: Yes

Actual: Yes

Upgrade anti-virus software quarterly.

Target: Yes

Actual: Yes

Conduct annual internal survey to identify equipment requiring replacement or upgrading.

Target: Yes

Actual: Yes

Ensure that market sensitive data and working files are kept secure.

No. of confirmed security violations.

Target: 0

Actual: 0

2000 Data: Levels achieved are based upon (1) information received from the IT staff and OCE management and (2) the absence of security violations as reported to us by the USDA security office.

Analysis of Results: OCE met the performance goals associated with Management Initiative 2. OCE's information technology staff has been responsible for maintaining, upgrading, and securing the OCE LAN:

- *Improvements to OCE's network infrastructure during FY 2000 included:* 1) Installation of new server hardware and software to improve performance. 2) Preventing downtime by frequently updating virus protection software both on servers and PCs. 3) Upgrading Bridge News Service with an up-to-date fault tolerant system. Establishing a single drop point for Bridge wire services within USDA which reduces USDA costs by eliminating telecommunications and linkage fees which would otherwise be charged to FSA, FAS, ERS and WAOB for redundant services. 4) Modifying USDA's Agricultural Outlook Forum home page to permit on-line registration and post-conference feedback.
- *Market sensitive data has been secured by:* Employing authentication procedures, restricting and limiting network access, keeping sensitive data behind firewall, and restricted physical access to network hardware. No security violations were reported or observed.
- *Y2K compliance was achieved for all OCE hardware and software.*

Current Fiscal Year Performance: OCE is on track to meet its FY 2001 performance targets.

Program Evaluations: The Chief Economist evaluated OCE performance during the annual performance assessment process.